



## DEPARTMENT OF CONSERVATION

## Fact Sheet

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## Renewal Plan Frequently Asked Questions

**SB 855 (Committee on Budget and Fiscal Review) required an annual report to the Legislature on oil and gas activities over a five-year period. Is the Renewal Plan the report required by the Legislature under SB 855?**

No, the Renewal Plan is not required under SB 855. The Renewal Plan addresses the problems identified in the report required by SB 855. It describes all of the actions the Department of Conservation (DOC) has taken and will be taking to correct the chronic issues that have hindered the Division of Gas and Geothermal Resources (DOGGR) in the past. It outlines the DOC's strategy to ensure public health and the environment are protected during the production of oil and gas within the state.

**SB 855 also required an analysis of the Division's Underground Injection Control (UIC) program. When was the analysis for that report conducted, and why was there a delay in releasing the report?**

In 2011, DOC established a Monitoring and Compliance Unit (Unit) to assess DOGGR's management of its UIC program. Although initially its highest priority was to conduct the assessment, a severe backlog of proposed injection projects awaiting evaluations forced the unit to delay the assessment until 2013.

Preparing for and executing the assessment mirrored the underlying systemic problems the report identifies:

- Existing staff had to be trained on how to conduct the assessment.
- Increasing priorities and chronic understaffing plagued the Division.
- Historical record-keeping practices were inconsistent and insufficient.

The Division's findings were completed in late 2014, and in early 2015 DOGGR began to compile data and write the report. An initial 80-plus page report was finalized in March, and an ad-hoc working group was identified to verify the data and to generate clear findings and recommendations.

It has been our goal all along to make the full report public. It also is our public duty to be accurate, especially given the report's findings related to decades of poor business practices, a lack of data, and incorrect data.

As they emerged, the rough findings of the assessment began to serve their purpose. They have informed the DOC and its Renewal Plan. They have guided the Oil and Gas Supervisor in his reorganization of DOGGR.

**The report was limited to only one of the six districts within the Division of Oil, Gas and Geothermal Resources – why?**

The Monitoring and Compliance Unit determined that an in-depth sampling of one district would inform DOGGR of many of the systemic failures throughout the Division. The unit scaled its assessment to District One (greater Los Angeles) because it provided analysis that included oil and gas production near an urban area.

**The results of the findings illuminated some serious problems. What has DOGGR done to address the problems identified within the report?**

Since the assessment began the Division has taken the following steps:

- Operators of nearly 2,000 wells have been warned to complete their mechanical integrity tests or be subjected to necessary enforcement actions. Beginning in 2014, testing compliance has risen from 50 percent to 100 percent.
- In 2011, there were very few enforcement actions taken. Since then, enforcement activities have increased significantly.
- Additional staff and resources have been dedicated to the Division. Inspections of injection wells increased from a low of 10 percent in 2011 to 62 percent in 2014 and 2015.
- Project files have been examined and operators were directed to update missing and out-of-date information. That information is being validated by Division staff and recorded in the database.
- All UIC projects have been evaluated, consistent with our joint plan with the U.S. Environmental Protection Agency.
- Forty-two Area of Review assessments have been completed and seven are currently underway in District One.
- Eleven in-depth reviews and updates of active projects have been completed.
- A restructuring of the office is underway and highly specialized reservoir engineering and geologic staff are being recruited to lend expertise in UIC project review.

**There are a significant number of references in the report to creating new rules and regulations. Has the problem been the lack of proper rules and regulations, or has it been the Division's unwillingness or inability to enforce what was already on the books?**

Both. The report describes where the Division failed to enforce the law. Additionally, regulations related to UIC have not evolved in step with UIC technology. Newer science needs to be applied to the regulations. We are beginning a series of rule-makings to address these issues. Top priority is cyclic steam generation and well construction standards. Initial public meetings have been held and the process is unfolding rapidly.

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